

Salt Lake City, Utah
March 6, 1979

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1588 W. North Temple
Salt Lake City, Utah 84116

Re: Notice of Intention
Intercoast Coal Co.
Ammended, Mar. 6, 1979
Exp. 019/014 & Exp. 007/011
Grand & Carbon Counties, Utah

Gentlemen:

This letter is to ammend a Notice of Intent to Commence Exploratory Drilling in Carbon and Grand Counties by Intercoast Coal of Sacramento, California.

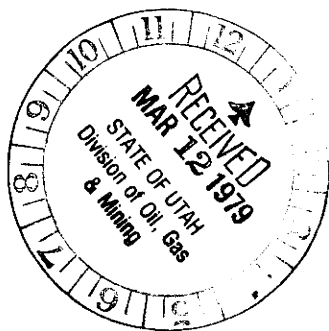
(1) Each exploratory drill hole made for the purpose of testing coal seams under State and fee lands held by Intercoast Coal will be plugged to protect the coal zones and any water sandstone units to prevent migration of water, gas or any other substance which may contaminate any of the overlying or underlying formations.

The operator will cement and seal the hole at the surface, subject to the approval of the Division of Oil, Gas and Mining.

(2) The reclamation of surface soil and any ground disturbance related to the drill site will be fully restored and be reclaimed in a manner comparable with the conditions of the area prior to the commencement of operations. All restoration work will be in full compliance with the oil, Gas and Mining Division.

(3) Records of all formations encountered in drilling and logging of the coal test holes will be submitted to the Division following each test.

Intercoast will submit in writing, in addition to formations encountered, information on water or other liquids encountered, rates of flow and quality of the water or fluid if known.



Respectfully submitted,

INTERCOAST COAL COMPANY

A handwritten signature in cursive script, appearing to read "Lewis F. Wells".

by Lewis F. Wells
Consulting, Geologist

LFW/hw